Guidelines for merger of Private Banks

149. SHRI B.J. PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has laid down certain guidelines for private Banks' merger and amalgamation; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Reserve Bank of India has issued guidelines on merger and amalgamation between private sector Banks and with NBFCs on 11th May, 2005. The guidelines are available on the website of RBI i.e. www.rbi.orq.in/notification.

Increase in Bank Credit to Agricultural Sector

150. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have announced to double the Bank credit to agricultural sector in the next three years;

(b) if so, the details thereof;

(c) whether it is a fact that the financial institutions, including commercial, rural and cooperative Banks have failed to reach even half of the farming families in India, over the years, if so, details thereof;

(d) whether still a large number of farmers continue to depend on money-lenders, commission agents and other sources to meet their credit needs; and

(e) what measures Government propose to take to help farmers in meeting their credit needs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. The targeted increase of 30% in credit flow to agricultural in 2004-05 has been exceeded.

(c) The number of operational holdings in the country is 12.76 crore and over five crore Kisan Credit Cards (KCC) have been issued by the Banking system. Apart from this there are also a large number of agricultural investment loans being issued by Banks which in many cases are out of KCC fold (investment credit is roughly 35% of total agricultural loans issued by Commercial Banks).

(d) and (e) The percentage of indebted families in rural areas on non-institutional sources has come down (68.3% in 1971 to 30.6% in 1991). The following measures have been taken by the Government to help farmers in meeting their credit needs:

* Banks have been instructed not to insist on collateral or margin for loans upto Rs. 50,000/-.

* Rate of interest on crop loans upto Rs. 50,000/- has been kept at 9% or below.

* Commercial Banks and Regional Rural Banks were advised to make efforts to bring into their fold, on average atleast 100 new farmers by each rural and semi-urban branch during the year 2004-05. The overall target of 50 lakh new farmers has been exceeded.

* Kisan Credit Card has been modified so as to include a component for consumption needs.

* Banks have been advised to advance credit to farmers indebted to money-lenders.

Gold import by Private Companies and Jewellers

151. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to allow gold import by private companies and jewellers;

(b) if so, the details thereof; and

(c) if not the reasons therefor?